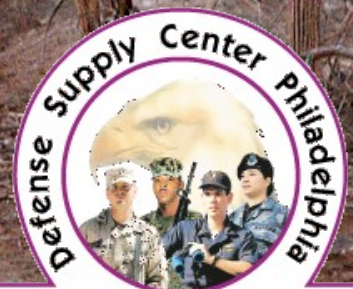


Clothing & Textiles Directorate Domestic Sourcing Conference



May 2004



Partnering the World's Best Suppliers
with our Joint Warfighting Team



Clothing & Textile's Mission



**Provide Dress/Field Uniforms,
Field Gear and Personal
Chemical Protective Items to
the Armed Forces in Peace and**



Clothing & Textiles Products & Services Class II



- Individual Equipment, Personal Armor, Helmets
- Chemical Protective Items
- Dress Coats, Trousers, Skirts, Sh
- Outerwear
- Hats, Gloves, Hosiery, Clothing A
- Special Purpose Clothing
- Ecclesiastical Items
- Specialized Flight Clothing & Acc
- Tentage, Mattresses, Sleeping Bags
- Insignia, Flags, Pennants
- Warfighter.net



Keeping America Ready



Clothing & Textiles

A Unique Commodity

- **Sized items**
 - Example, Combat Boot – 133 sizes
Men's Army Dress Coat – 65 sizes
- **Military unique**
 - Most clothing on a specification
 - Service Driven Requirements
 - Simple Garments to Complex protective clothing, e.g Chem Suits
- **Industrial Base - Strategic Supplier Issues**
 - Small Business driven
 - Mandatory Sources - National Industry for the Blind (NIB), National Industry for the Severely Handicapped (NISH), and Federal Prisons (UNICOR)
 - Socioeconomic Obligations
- **Best Value Long Term Contracts**
 - During peacetime, over 95% of our contracts are long term / best value contracts; currently at 75.6% due to OEF/OIF exigencies

**Crucial that we receive
customer requirements in
sufficient time to respond**



Clothing & Textiles

The BIG Picture

Inventory

\$2.314B
FY90

\$1.143B
FY01

\$ 1067.2 FY03

**Inventory
Reduced
50%**

30,432 NSNs

7,902 Generics

3.3M Requisitions

14,000 Customers

220 Vendors

Sales

FY01 \$1252M

FY02 \$1535M

FY03 \$2013M

**\$1336.9 thru 27
Apr**



Personnel

Military - 6/1FT Reservist

Civilian - 313 (DLA 13)

Obs

FY01 \$1146.7M

FY02 \$1630.2M

FY03 \$2785.5M

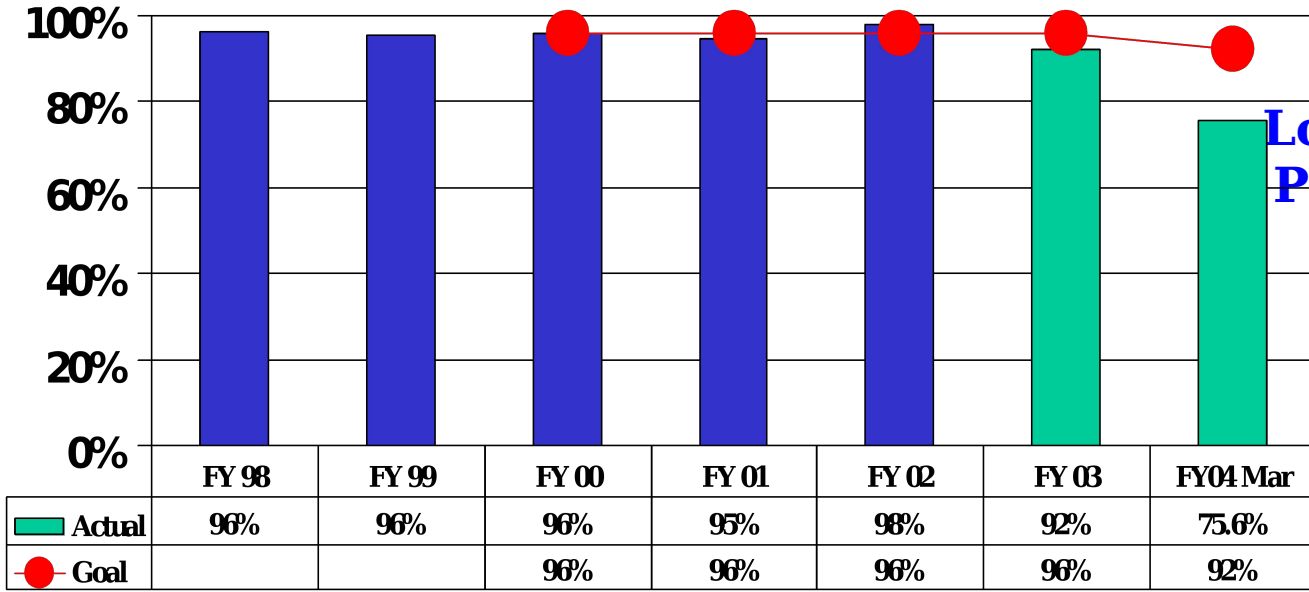
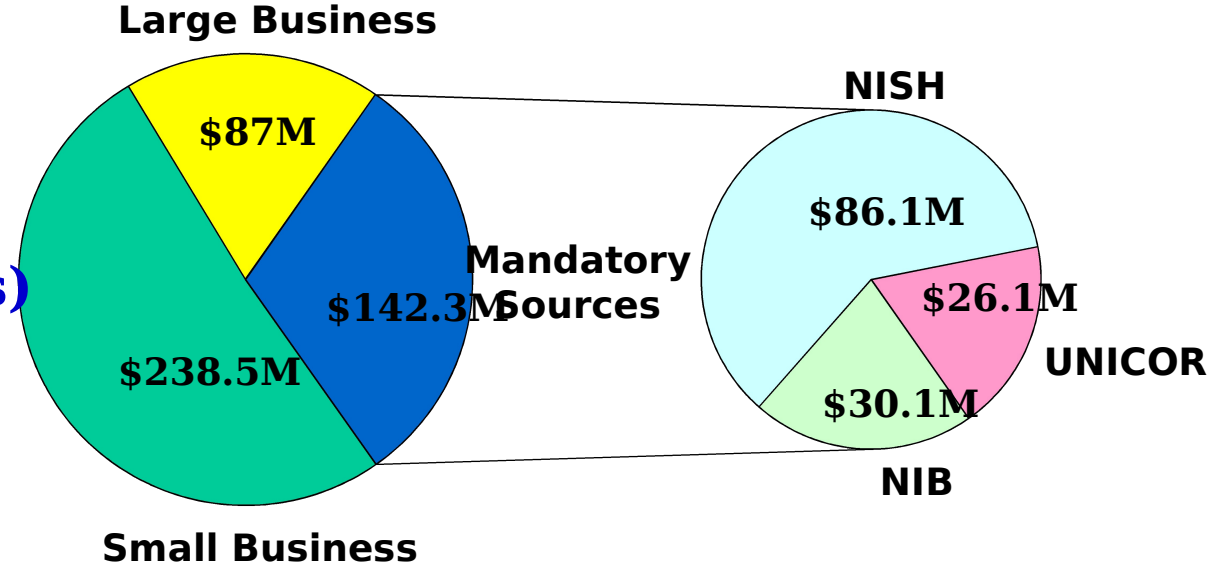
**FY04 \$1315M thru 27
Apr**



Contracting Solutions

1st Quarter 04

**Total \$467.8
FY 04 Obligations
(In Millions of Dollars)**



**Long Term Contracting
Percent of Obligations**

**All contracts use
Best Value
Contracting Methodology**



VIM - ASAP

ual Inventory Manager - Apparel Research
Network (ARN) Supply Chain Management

Profitable Results!

- Faster payment
- Increased productivity
- Reduced preparation time
- Real-time visibility of invoicing, Acceptance, and payment
- Secure Transactions
- Reduced overhead & labor costs
- Pre-validated submissions

**It's
Free!!**

**DoD & DLA managed
application written &
tailored specifically for
Uniform and Clothing
Manufacturers**

What you need to get started:

- Desktop PC - Windows
- Internet Access
Dial up or dedicated
- Internet Explorer 6.0

VIM-ASAP Help Desk

(888) 940-7348

<http://info.ct->

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Radio Frequency Indicator (RFID) Technology

RFID is the automatic identification & data capture that uses radio waves to transfer ID and/or data from/to an RFID asset tag to/from a reader.

Individual Protective Equipment (IPE) Pilot

- Defense Logistics Agency (DLA), the Army G-4, and the Logistics Transformation Agency (LTA) are collaborating to assess the effectiveness of using RFID for use throughout the IPE logistics supply chain.
- The pilot is targeted for March-June 2004 evaluating the impact of using passive RFID tags and 2D Bar Codes on pallets and cases of IPE in distribution processes.
- Passive RFID tags rely on RF energy transmitted from the reader to the tag.
- The pilot will strive to maximize the advantages of asset management efficiencies offered with early integration of RFID into the IPE logistics supply chain.

Department of Defense (DoD) RFID Policy

- DoD will be an early adopter of innovative RFID technology.
- DoD policy signed by The Under Secretary Of Defense, October 2003, mandates that passive RFID tags be attached to the lowest possible piece part/case/pallet packaging approximately by January 2005. The only exceptions will be bulk goods such as sand, gravel or liquids. The final version of this policy will be issued July 2004.
- Vendors will be responsible for purchasing the RFID equipment/software to be in compliance.



Enterprise Integration - BSM

Challenges:
Multi-tiered distribution
And Sized items

Business Systems Modernization:

➤ **Release 1.0**

- Went Live in Aug 2002 – included sampling of most of DLA business
- C&T was NOT included due to complicated distribution methods

➤ **Release 1.1 - Battledress Uniform (and Subsistence)**

- Went live: 1 December 03
- 700 NSNs, \$220M

➤ **Release 2.0 - Flags & Insignia / Accessories / Tentage**

- Scheduled go live date: Jan 05 / Mar 05 / May 05
- Additional requirements identified (6,000 NSNs, \$283M)



Best Practices - W Integrated with DoD E-mail et

- Web based technology similar to commercial sites
- Uses MILSTRIP or credit card
- View digitized photos; get points of contact
- Search by NSN, description, key word or specification
- Specialty Shops / Market Baskets



24 hour on-line availability to:

- Place Orders
- Get Status
- Check Stock
- Track Delivery



"I just wanted to tell you that I have accessed your ROD (SDR) System on warfighter.net. It is WONDERFUL. Talk about user friendly, easily accessible, and friendly to the

FY 97 Sales = \$1M

FY 03 Sales = \$381M

FY 04 Sales =

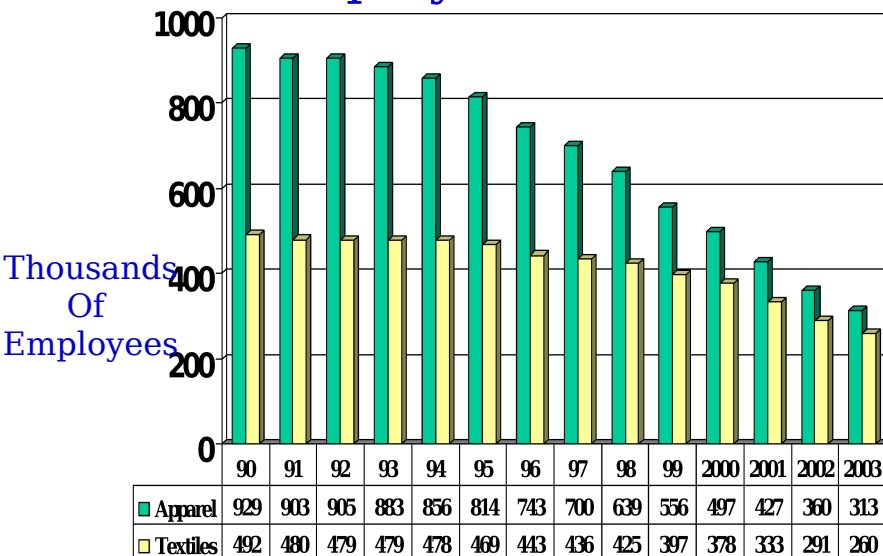


The Berry Amendment and the Domestic

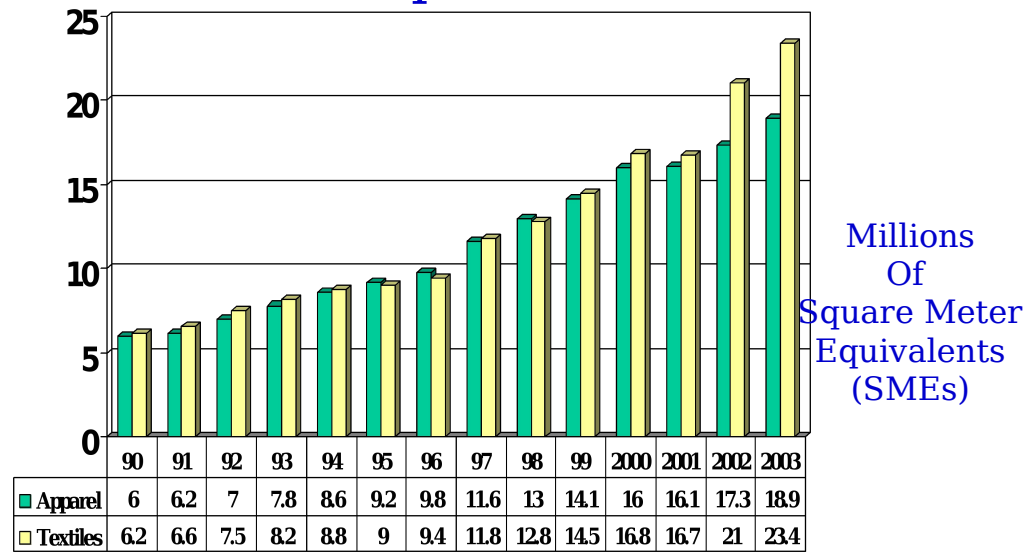
• *Berry Amendment*

- Restricts US DoD to domestic sources for C&T items
- In existence in some form since 1942
- 1994 permanent by Public Law 102-396
- Readiness Concerns
 - Goes down to low level components & processes
 - (Ruff on CW Jacket - DNAD Review/Approval Delay)
- Studies by C&T (Aug 02) and Department of Commerce (draft Aug 03)

Employment Levels



Imports





- Why did we conduct the study?
 - **Concern over the disappearance of import quotas at the end of 2004**
 - How will this effect our end item suppliers?
 - How will it impact their supply chain?
 - Will we be able to continue to purchase product that is Berry compliant?





- **More than a 65% loss of firms and employees over the past two decades across the textile, apparel and footwear industries**
- **More end item firms interested in pursuing DoD contracts**

BUT - Severe erosion of the supply chain!

- **Moved other parts of operations off shore**
- **Bankruptcy**
- **Between 1990 and 2002 textile imports rose from 6 billion m² to 16 billion m²**

DLA



C&T Items of Interest

Component

End Item(s)

Natural Latex

Rubber Gloves

Rayon Yarn

**Dress clothing, insignia, flags
& labels**

Polyester Tow
(Cationic dyeable continuous filament)

USAF Windbreakers

210 Denier HT Nylon Fiber

**MOLLE System, Parka & Trouser
Wet Weat, Stuff Sack-Sleep System
Jungle Hammocks, Field Packs,
Helmet Bags**

Modacrylic Fiber

N3B Parka, ECWCS Parka & "Fur R

Clothing & Textiles

What We Like to Leave You With ...

- **Professional Dedicated Workforce**
- **Aggressive Supply Chain Execution - Tailored Logistical Support**
- **Collaborative Industrial Base Management**
- **Business Systems Modernization**
 - **On going: BDUs went live in Dec 03**
Release 2.0 begins Jan 05

Focus on getting the Warfighter what they need, when they need it, wherever they need it